

# A Gen-X Adviser to Biden Argues Equality Is Good for Growth

[nytimes.com/2020/08/28/business/heather-boushey-biden-economic-inequality.html](https://www.nytimes.com/2020/08/28/business/heather-boushey-biden-economic-inequality.html)

Katy  
Lederer

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Credit...Ting Shen for The New York Times

Heather Boushey, who is unofficially one of the top economic advisers to Joseph R.

Biden Jr., does not play to type. When the progressive economist and I arranged to meet last December in a Midtown Manhattan coffee shop, I was expecting someone buttoned up, and I couldn't find her in the room. Then she texted and waved from just a few feet away. She was wearing a Stephen Malkmus and the Jicks T-shirt — a niche band featuring the lead singer of the beloved 1990s indie group Pavement.

When Dr. Boushey and I met again, on a bright July morning in Washington, where she runs the [Washington Center for Equitable Growth](#), it was impossible to miss her. She was masked, on her stoop, and had set out a table and chairs. In the intervening seven months, the coronavirus had killed more than 100,000 Americans and set off a recession with unemployment rates not seen since the Great Depression. Dr. Boushey had seen the pain coming.

She hadn't predicted the virus, of course, but she had spent much of her career studying the financial fissures underlying the American economy. "Countries that have this deep inequality like we do are much more prone to financial crises," she said, "in no small part because high wealth inequality leads to more debt, which just makes your economy more fragile."

Dr. Boushey (pronounced boo-SHAY) has a strict policy of not commenting on her work for Mr. Biden, who also takes economic advice from Jared Bernstein and Ben Harris, both veterans of the Obama administration; [Janet L. Yellen](#), the former Federal Reserve chair; and others. In this inner circle, Dr. Boushey is among those arguing against the persistent assumption in Washington that programs that benefit the poor and middle class are bad for the economy. In two volumes of data-studded analysis published in the last four years, she has laid out a platform for what she describes as "strong, stable and broad-based economic growth" — basically, Washington-ese for a fight against plutocracy.



Dr. Boushey at a White House event in 2016. She disputes the assumption in Washington that programs benefiting the poor and middle class are bad for the economy. Credit... Cheriss May/NurPhoto, via Getty Images

In “Finding Time: The Economics of Work-Life Conflict,” released in 2016, she charted the changing structure of the American family since World War II. Promoting policies like universal access to paid sick days and affordable child care, Dr. Boushey contended that addressing suffering and inequality didn’t have to come at the expense of economic dynamism; such remedies, she says, can actually promote growth.

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In “Unbound: How Inequality Constricts Our Economy and What We Can Do About It,” published in October, she took the line of thinking further, laying out the ways that extreme inequality threatens democracy and the market itself.

“We need to recognize how economic power translates into political and social power,” she wrote, “and reject old theories that treat the economy as a system governed by natural laws separate from society’s.”

Dr. Boushey’s work offers a bird’s-eye view of policies that might have been — she was tapped to be the chief economist of Hillary Clinton’s transition team, had the 2016 election gone the other way — and that could find favor if Mr. Biden wins in November. As the federal government deploys trillions of dollars in a once-in-a-century economic

emergency, Dr. Boushey is at the forefront of a rising generation of economists rethinking age-old conundrums, like unemployment, competition and the very nature of economic growth.

## **‘Talking to a different audience’**

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In “Finding Time,” Dr. Boushey, who was born in 1970, recounts a childhood in a middle-class neighborhood north of Seattle. Her father worked as a crane operator at the Boeing plant, and her mother took on a full-time job as a bank teller to make ends meet. Her parents were part of a trend. In the context of rising inflation and unemployment, many working-class families were feeling the same squeeze.

In the early 1980s, Dr. Boushey’s father was laid off. Her mother said some after-school activities might be put on hold. “That was the moment that I realized that actually economics — whether or not my parents have a job — affects whether or not I get to do the things that matter to me in my life,” Dr. Boushey said.

For decades, economists have often sought to frame their discipline as being at an arm’s length from politics. But Dr. Boushey and her peers, many of them Generation X, have embraced the field’s social and political roots. Informed by mistakes made during the 2008 recession, members of this cohort — including academics like Emmanuel Saez and Raj Chetty, and Jason Furman on the policy side — have turned their attention to the structural consequences of deepening inequality. They have eagerly addressed topics that challenge neoclassical economic theory, such as climate change, generational wealth and opportunity disparities.

In an essay published by the journal Democracy last summer, Dr. Boushey described the group as “a nascent generation of scholars who are steeped in the new data and methods of modern economics, and who argue that the field should — indeed, must — change.”

“If anything, economics is reckoning with its political past,” said Mehrsa Baradaran, a professor of law at the University of California, Irvine, who has written extensively about the racial wealth gap and serves on the Washington Center for Equitable Growth’s board of directors.

“Heather is really in the forefront of this,” Professor Baradaran added. “She’s talking to a different audience than I think a lot of other academic economists. She’s actually trying to collect effective policy and make economic changes by looking at the data we measure.”

Image



Dr. Boushey in Washington, D.C., this week. “We need to recognize how economic power translates into political and social power,” she wrote recently, “and reject old theories that treat the economy as a system governed by natural laws separate from society’s.”Credit...Ting Shen for The New York Times

In addition to awarding grants for academic work, Dr. Boushey’s think tank publishes legislation-minded policy proposals. In “Recession Ready,” a collection of essays produced in 2019 with the Hamilton Project, a division of the centrist Brookings Institution, Dr. Boushey and her co-authors advocated what are known as automatic stabilizers — safety-net programs like enhanced unemployment and food stamp

benefits that would be triggered without congressional debate if the economy slowed down. This year, Equitable Growth published “[Vision 2020](#),” a set of 21 proposals by a range of scholars that included arguments for more affordable early childhood care and the rebuilding of U.S. labor market wage standards.

Many free-market economists remain skeptical of aspects of Dr. Boushey’s framework.

“I cannot question somebody on economic grounds who says, ‘You know what, I want to give up some efficiency for some more equity, fairness, compassion,’” said Casey B. Mulligan, a professor of economics at the University of Chicago, who has [argued](#) that some progressive policies could in fact impede recovery. “What I can question and criticize is that there wouldn’t be a trade-off.”

Michael R. Strain, who runs the economic policy program at the American Enterprise Institute and has appeared on [Dr. Boushey’s podcast](#), [has said](#) some concern about inequality might be misplaced.

“In terms of the gap between the top and the bottom, I don’t see a lot of good evidence as to what exactly the problem with that gap is,” he said. “And I think there are lots of problems in terms of what’s happening with the bottom 20 or 30 percent, but I don’t know that you solve many of those problems by shrinking the income gap.”

Acknowledging the contested nature of her discipline, Dr. Boushey argues that no matter how one figures it, federal policy has not kept up with the changing structure of society — especially now, as Covid-19 craters the economy.

“In the face of a government that could not provide protective gear, could not protect people, hasn’t been paying attention to supply chains, all of these issues,” she said, “you’re going to have a demand — an ongoing demand — for some sort of active policy. So I think the question is then what that is.”

## **‘We’re doing this for each other because we care’**

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As we chatted on her stoop in July, Dr. Boushey gestured at our masks. “You’re doing this to protect me, I’m doing this to protect you,” she said. “We’re doing this for each other because we care.”

It was as good a summary as any of her holistic vision of prosperity. In her analysis, paid sick leave will translate into a more productive work force. Addressing inequality will reduce market distortions that ultimately inhibit growth.

On July 21, the Biden campaign released its “[21st Century Caregiving and Education Workforce](#)” plan, a 10-year, \$775 billion proposal. Advocating subsidies and tax credits for child care and early childhood education, and an expansion of elder care programs, the plan would put into practice many of the policies Dr. Boushey has long endorsed. It would in theory encourage a progressive recovery, boosting the earning and bargaining power of care industry workers, who are disproportionately women of color.

The next week, on July 30, Dr. Boushey testified by video before the congressional Joint Economic Committee. Important components of the \$2 trillion federal stimulus known as the CARES Act were set to expire, and Dr. Boushey pushed for extending a \$600-a-week federal unemployment payment, a major point of contention in negotiations between the White House and congressional Democrats.

“If you want to be creating more jobs,” she said, “you have to sustain that consumer demand, you have to keep people paying their rent, you have to keep them spending in their communities — until we contain the virus.”

Back on her stoop, Dr. Boushey had mused on the policy ferment of the moment.

“How is it that ideas change?” she said. “You read about that in books, and if you get to live long enough and you get to be a part of these communities, you can sort of see how that happens. And I think that is sort of the only good thing about this particular moment in time.”

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